



- As the result of an RPEB investigation, 27 Handling Fee Applications (DR-14s) totaling \$147,614 were denied.
- Seven (7) DR-14s totaling \$34,847 were denied due to RC operators refusing to accept all CRV eligible containers from customers.





INSPECTIONS SECTION

Unserved / Option A Dealer Inspections conducted in the City of San Francisco:

- 265 Unserved / Option A Dealers inspected
- Approx. 48% compliance (126 Dealers)
- Approx. 52% noncompliance (139 Dealers)
 - √ 134 Dealers issued Notice of Non-Compliance
 - ✓ 5 issued Notice of Violation





INVESTIGATIONS SECTION

Processor Oversight Pilot Program – Phase 1:

- 7 processors subject to Processor Oversight activities
- Overview of Findings:
 - ✓ Lack of critical internal controls at processing facilities
 - ✓ Failure to consistently maintain required cancelation documentation





INVESTIGATIONS SECTION

Processor Oversight Pilot Program – Phase I (con't):

- Failure to submit Authorizations to Cancel to CalRecycle
- Processors not performing adequate inspections to determine eligibility
- Recycling Centers claiming CRV / program payments on scrap material
- Approved alternative shipping report allocations methods not being followed

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ACCUSATIONS

Accusations filed & served April 1 – June 30, 2016:

	Date	
Participant Name	Filed	Amount Assessed
California Waste Solutions, Inc.	04/28/16	\$12,433,551.00
Recycling Service Alliance, Inc.	05/31/16	\$1,420,005.38
	TOTAL:	\$13,853,556.38



Accusations resolved as of June 30, 2016 ~ filed & served after CY 2013:

Participant	Date	Amount	Date	
Name	Filed	Assessed	Finalized	Resolution
Helping Hands	06/09/15	\$50,900.00	04/08/16	\$18,000.00
Junior Recycling	07/13/15	\$661,000.00	04/29/16	\$661,000.00
	TOTAL:		TOTAL:	\$679,000.00

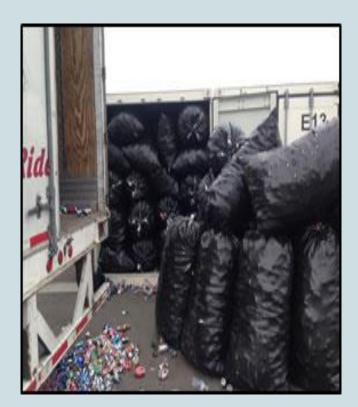




- DOJ May 4, 2016
- 5 month investigations based on a CalRecycle referral
- Multi-state recycling fraud scheme involving:
 - Imported loose empty beverage containers from AZ and NM
 - Public storage facilities in South Gate, CA
 - Certified recycling centers in Southern CA.









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- Searched 18 public storage units at two separate locations in South Gate, CA:
 - Aluminum 35,479 lbs.
 - PET 9,125 lbs.
 - Total CRV if illegally redeemed = \$66,743.28





- Two ring-leaders of fraud schemes arrested:
 - Francisco Flores, 59, of Los Angeles
 - ✓ Plead guilty to felony recycling fraud
 - ✓ Sentenced to 1-year in jail
 - ✓ Ordered to pay \$800,000 in restitution





DOJ ARRESTS

- Two ring-leaders of fraud schemes arrested:
 - Guillermo Chavez, 62 of Anaheim
 - ✓ Plead guilty to felony grand theft
 - ✓ Sentenced to 4-months in jail
 - ✓ Ordered to pay \$225,000 in restitution
- Full press release available at:

http://www.calrecycle.ca.gov/NewsRoom/2016/05May/10.htm





QUESTIONS?

